

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name TOWNSHIP OF WAYLAND	County ALLEGAN
Audit Date 3/31/04	Opinion Date 6/8/04	Date Accountant Report Submitted to State: 9/14/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- Yes No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- Yes No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- Yes No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- Yes No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- Yes No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- Yes No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- Yes No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- Yes No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- Yes No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Siegfried Crandall PC			
Street Address 246 East Kilgore Road	City Kalamazoo	State MI	ZIP 49002-5599
Accountant Signature <i>Siegfried Crandall P.C.</i>		Date 9/14/04	

Township of Wayland
Allegan County, Michigan
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**
Year ended March 31, 2004

CONTENTS

	<i>Page</i>
INDEPENDENT AUDITORS' REPORT	3
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Combined balance sheet - all fund types and account group	4
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	5
Combined statement of revenues, expenditures, and changes in fund balances - budget and actual - general and special revenue funds	6
Notes to financial statements	7 - 11
SUPPLEMENTARY INFORMATION:	
Statement of revenues, expenditures, and changes in fund balance - budget and actual - General Fund	12 - 13
Combining balance sheet - special revenue funds	14
Combining statement of revenues, expenditures, and changes in fund balances - special revenue funds	15
Statement of revenues, expenditures, and changes in fund balance - budget and actual:	
Cemetery Fund	16
Street Lighting Fund	17
Combining statement of changes in assets and liabilities - all agency funds	18

INDEPENDENT AUDITORS' REPORT

**Board of Trustees
Township of Wayland, Michigan**

We have audited the accompanying general purpose financial statements of the Township of Wayland, Michigan, as of and for the year ended March 31, 2004, as listed in the contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Wayland, Michigan, as of March 31, 2004, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements, as listed in the contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Township of Wayland, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Siegfried Crandall P.C.

June 8, 2004

GENERAL PURPOSE FINANCIAL STATEMENTS

Township of Wayland
COMBINED BALANCE SHEET - all fund types and account group
 March 31, 2004

		<u>Governmental fund types</u>	
		<u>General</u>	<u>Special revenue</u>
ASSETS			
Cash		\$ 714,907	\$ 23,281
Receivables:			
Accounts		2,098	-
Taxes and assessments		10,197	435
Due from other funds		32,481	1,830
Due from other governmental units		27,615	-
Fixed assets		-	-
		<u> </u>	<u> </u>
TOTAL ASSETS		<u>\$ 787,298</u>	<u>\$ 25,546</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Accounts payable		\$ 6,162	\$ 11,831
Due to other funds		-	-
Due to other governmental units		-	-
		<u> </u>	<u> </u>
Total liabilities		<u>6,162</u>	<u>11,831</u>
FUND EQUITY:			
Investment in general fixed assets		-	-
Fund balance - unreserved - undesignated		<u>781,136</u>	<u>13,715</u>
		<u> </u>	<u> </u>
Total fund equity		<u>781,136</u>	<u>13,715</u>
		<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND EQUITY		<u>\$ 787,298</u>	<u>\$ 25,546</u>

<u>Fiduciary fund type</u>	<u>Account group</u>	<u>Totals</u>
<u>Agency</u>	<u>General fixed assets</u>	<u>(memorandum only)</u>
\$ 41,086	\$ -	\$ 779,274
-	-	2,098
-	-	10,632
-	-	34,311
-	-	27,615
<u>-</u>	<u>342,150</u>	<u>342,150</u>
<u>\$ 41,086</u>	<u>\$ 342,150</u>	<u>\$ 1,196,080</u>
\$ -	\$ -	\$ 17,993
34,311	-	34,311
<u>6,775</u>	<u>-</u>	<u>6,775</u>
<u>41,086</u>	<u>-</u>	<u>59,079</u>
-	342,150	342,150
<u>-</u>	<u>-</u>	<u>794,851</u>
<u>-</u>	<u>342,150</u>	<u>1,137,001</u>
<u>\$ 41,086</u>	<u>\$ 342,150</u>	<u>\$ 1,196,080</u>

See notes to financial statements

Township of Wayland

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - all governmental fund types**

Year ended March 31, 2004

	<u>General</u>	<u>Special revenue</u>	<u>Totals (memorandum only)</u>
REVENUES:			
Taxes	\$ 110,840	\$ -	\$ 110,840
Licenses and permits	36,016	-	36,016
State grants	208,051	-	208,051
Charges for services	10,474	51,590	62,064
Interest	5,369	-	5,369
Other	4,766	3,828	8,594
	<u>375,516</u>	<u>55,418</u>	<u>430,934</u>
Total revenues			
EXPENDITURES:			
Legislative	3,800	-	3,800
General government	108,501	41,171	149,672
Public safety	133,970	-	133,970
Public works	36,808	2,774	39,582
Community and economic development	20,836	-	20,836
Health and welfare	5,000	-	5,000
Capital outlay	903	45,420	46,323
	<u>309,818</u>	<u>89,365</u>	<u>399,183</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>65,698</u>	<u>(33,947)</u>	<u>31,751</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	33,050	33,050
Operating transfers out	(33,050)	-	(33,050)
	<u>(33,050)</u>	<u>33,050</u>	<u>-</u>
Total other financing sources (uses)			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	32,648	(897)	31,751
FUND BALANCE - BEGINNING OF YEAR	<u>748,488</u>	<u>14,612</u>	<u>763,100</u>
FUND BALANCE - END OF YEAR	<u>\$ 781,136</u>	<u>\$ 13,715</u>	<u>\$ 794,851</u>

See notes to financial statements

Township of Wayland

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - *general and special revenue funds*

Year ended March 31, 2004

	<i>General</i>		<i>Variance favorable (unfavorable)</i>
	<i>Budget</i>	<i>Actual</i>	
REVENUES:			
Taxes	\$ 67,400	\$ 110,840	\$ 43,440
Licenses and permits	4,500	36,016	31,516
State grants	190,000	208,051	18,051
Charges for services	3,000	10,474	7,474
Interest	8,600	5,369	(3,231)
Other	6,100	4,766	(1,334)
Total revenues	<u>279,600</u>	<u>375,516</u>	<u>95,916</u>
EXPENDITURES:			
Legislative	4,800	3,800	1,000
General government	149,150	108,501	40,649
Public safety	121,000	133,970	(12,970)
Public works	45,600	36,808	8,792
Community and economic development	44,050	20,836	23,214
Health and welfare	5,000	5,000	-
Capital outlay	3,000	903	2,097
Total expenditures	<u>372,600</u>	<u>309,818</u>	<u>62,782</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(93,000)</u>	<u>65,698</u>	<u>158,698</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	(37,000)	(33,050)	3,950
Total other financing sources (uses)	<u>(37,000)</u>	<u>(33,050)</u>	<u>3,950</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(130,000)	32,648	162,648
FUND BALANCE - BEGINNING OF YEAR	<u>748,488</u>	<u>748,488</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 618,488</u>	<u>\$ 781,136</u>	<u>\$ 162,648</u>

<u>Special revenue</u>			<u>Totals (memorandum only)</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
\$ -	\$ -	\$ -	\$ 67,400	\$ 110,840	\$ 43,440
-	-	-	4,500	36,016	31,516
-	-	-	190,000	208,051	18,051
20,000	51,590	31,590	23,000	62,064	39,064
-	-	-	8,600	5,369	(3,231)
<u>1,900</u>	<u>3,828</u>	<u>1,928</u>	<u>8,000</u>	<u>8,594</u>	<u>594</u>
<u>21,900</u>	<u>55,418</u>	<u>33,518</u>	<u>301,500</u>	<u>430,934</u>	<u>129,434</u>
-	-	-	4,800	3,800	1,000
48,700	41,171	7,529	197,850	149,672	48,178
-	-	-	121,000	133,970	(12,970)
3,500	2,774	726	49,100	39,582	9,518
-	-	-	44,050	20,836	23,214
-	-	-	5,000	5,000	-
<u>40,000</u>	<u>45,420</u>	<u>(5,420)</u>	<u>43,000</u>	<u>46,323</u>	<u>(3,323)</u>
<u>92,200</u>	<u>89,365</u>	<u>2,835</u>	<u>464,800</u>	<u>399,183</u>	<u>65,617</u>
<u>(70,300)</u>	<u>(33,947)</u>	<u>36,353</u>	<u>(163,300)</u>	<u>31,751</u>	<u>195,051</u>
37,000	33,050	(3,950)	37,000	33,050	(3,950)
-	-	-	(37,000)	(33,050)	3,950
<u>37,000</u>	<u>33,050</u>	<u>(3,950)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(33,300)	(897)	32,403	(163,300)	31,751	195,051
<u>14,612</u>	<u>14,612</u>	<u>-</u>	<u>763,100</u>	<u>763,100</u>	<u>-</u>
<u>\$ (18,688)</u>	<u>\$ 13,715</u>	<u>\$ 32,403</u>	<u>\$ 599,800</u>	<u>\$ 794,851</u>	<u>\$ 195,051</u>

See notes to financial statements

Township of Wayland
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Township of Wayland, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies:

a) Reporting entity:

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements present the Township, or primary government. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Township has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a blended or discretely-presented component unit in the Township's financial statements.

b) Basis of presentation:

The accounts of the Township are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The financial activities of the Township are recorded in the separate funds and account group, categorized, and described as follows:

i) Governmental funds:

General Fund - this fund is used to account for all financial resources not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state distributions, interest, and charges for certain services.

Special revenue funds - these funds are used to account for specific revenues derived from general fund appropriations and charges for services which are to be expended for specific purposes as dictated by legal, regulatory, or administrative requirements.

ii) Fiduciary funds:

Trust and agency funds - trust and agency funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Township of Wayland
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

b) *Basis of presentation (continued):*

iii) *Account group:*

General fixed asset account group - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain ("infra-structure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account group is not a fund. It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

c) *Basis of accounting:*

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

All governmental and fiduciary fund types are accounted for using the modified accrual basis of accounting. Their revenues and other sources are recognized when they become measurable and available to finance expenditures of the fiscal period and are considered fully collectible.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due. Also, expenditures are not divided between years by the recording of prepaid expenses.

d) *Budgets and budgetary accounting:*

The Township follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 621, Public Acts of 1978) as prescribed by the State of Michigan.

Budgets for the general and special revenue funds are adopted at the activity level and are on a basis consistent with generally accepted accounting principles.

e) *Receivables:*

All receivables are estimated to be fully collectible as presented.

Township of Wayland
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

f) Property tax:

Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on February 14 (with the final collection date of February 28), at which time the bill becomes delinquent and penalties and interest may be assessed by the Township. The Township considers property taxes levied December 1 as revenue of the current year.

g) Totals (memorandum only):

The total column on the combined statements is captioned "memorandum only" to indicate that it is prepared only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation as interfund eliminations have not been made.

NOTE 2 - CASH:

Deposits with financial institutions:

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township Treasurer. Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At March 31, 2004, the Township has deposits with a carrying amount of \$779,274 and a bank balance of \$1,216,796. Of the bank balance, \$174,943 is covered by federal depository insurance and \$1,041,853 is uninsured.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES:

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Fund</u>	<u>Interfund payable</u>
General	\$ 183	Tax Collection	\$ <u>2,013</u>
Cemetery	<u>1,830</u>		
	<u>2,013</u>		
General	<u>32,298</u>	Trust and Agency	<u>32,298</u>
	<u>\$34,311</u>		<u>\$34,311</u>

Township of Wayland
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - FIXED ASSETS:

The following is a schedule of changes in general fixed assets of the Township during the year ended March 31, 2004:

	<i>Balance April <u>1, 2003</u></i>	<i><u>Additions</u></i>	<i><u>Deletions</u></i>	<i>Balance March <u>31, 2004</u></i>
GENERAL:				
Land	\$ 4,000	\$ -	\$ -	\$ 4,000
Land improvements	9,600	-	-	9,600
Building	134,601	-	-	134,601
Office equipment	<u>40,648</u>	<u>-</u>	<u>-</u>	<u>40,648</u>
Total general	<u>188,849</u>	<u>-</u>	<u>-</u>	<u>188,849</u>
CEMETERY:				
Land	10,179	-	-	10,179
Buildings	22,081	-	-	22,081
Automotive equipment	31,740	-	-	31,740
Cemetery equipment	<u>60,830</u>	<u>44,881</u>	<u>16,410</u>	<u>89,301</u>
Total cemetery	<u>124,830</u>	<u>44,881</u>	<u>16,410</u>	<u>153,301</u>
INVESTMENT IN GENERAL FIXED ASSETS	<u>\$313,679</u>	<u>\$44,881</u>	<u>\$16,410</u>	<u>\$342,150</u>

NOTE 5 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS:

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004, the Township incurred expenditures in certain budgetary funds, which were in excess of the amounts appropriated.

The following schedule sets forth significant budget variations.

<i><u>Fund</u></i>	<i><u>Function</u></i>	<i><u>Activity</u></i>	<i><u>Budget</u></i>	<i><u>Actual</u></i>	<i><u>Variance</u></i>
General	Public safety	Inspections	\$ -	\$30,301	\$30,301
	Public works	Drains	500	6,989	6,489
Cemetery	Capital outlay	Capital outlay	40,000	45,420	5,420

Township of Wayland
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - STATUTORY COMPLIANCE:

P.A. 621 of 1978, Section 18(1), as amended, provides that total estimated expenditures, including an accrued deficit, in the budget shall not exceed the total estimated revenues. The Township had a budgeted deficit in the Cemetery Fund and Street Lighting Fund for the year ended March 31, 2004 of \$(20,514) and \$(365), respectively. The actual fund balances as of March 31, 2004 were \$11,045 and \$479, respectively.

NOTE 7 - RISK MANAGEMENT:

The Township of Wayland is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Township carries commercial insurance for the above risks of loss. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal periods.

NOTE 8 - CONSTRUCTION CODE ACT:

A summary of construction code enforcement transactions for the year ended March 31, 2004, is as follows:

Permit revenue	\$30,301
Inspection expenses	<u>30,301</u>
Excess of revenue over expenses	<u>\$ -</u>

SUPPLEMENTARY INFORMATION

Township of Wayland
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - General Fund
Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<i>Variance favorable (unfavorable)</i>
REVENUES:			
Taxes:			
Property taxes	\$ 45,000	\$ 65,776	\$ 20,776
Tax collection fees	21,500	24,798	3,298
Penalties and interest	-	19,631	19,631
Trailer park fees	900	635	(265)
Total taxes	<u>67,400</u>	<u>110,840</u>	<u>43,440</u>
Licenses and permits:			
Inspections	-	30,301	30,301
Cable franchise fees	4,500	5,715	1,215
Total licenses and permits	<u>4,500</u>	<u>36,016</u>	<u>31,516</u>
State grants	190,000	208,051	18,051
Charges for services:			
Zoning fees	3,000	4,225	1,225
Summer tax collection fees	-	6,249	6,249
Total charges for services	<u>3,000</u>	<u>10,474</u>	<u>7,474</u>
Interest	8,600	5,369	(3,231)
Other	6,100	4,766	(1,334)
Total revenues	<u>279,600</u>	<u>375,516</u>	<u>95,916</u>
EXPENDITURES:			
Legislative - Township board	4,800	3,800	1,000
General government:			
Supervisor	11,300	11,300	-
Elections	2,375	-	2,375
Assessor	24,775	19,764	5,011
Clerk	21,500	18,881	2,619
Board of review	2,200	1,059	1,141
Treasurer	16,000	14,810	1,190
Township hall	15,400	6,611	8,789
Legal and audit	36,000	20,444	15,556
Other	19,600	15,632	3,968
Total general government	<u>149,150</u>	<u>108,501</u>	<u>40,649</u>

Township of Wayland

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - General Fund (Continued)**

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<i>Variance favorable (unfavorable)</i>
EXPENDITURES (Continued):			
Public safety:			
Fire service	\$ 121,000	\$ 103,669	\$ 17,331
Inspections	<u>-</u>	<u>30,301</u>	<u>(30,301)</u>
Total public safety	<u>121,000</u>	<u>133,970</u>	<u>(12,970)</u>
Public works:			
Highways and streets	45,000	29,819	15,181
Drains	500	6,989	(6,489)
Sanitation	<u>100</u>	<u>-</u>	<u>100</u>
Total public works	<u>45,600</u>	<u>36,808</u>	<u>8,792</u>
Community and economic development - Planning and zoning	<u>44,050</u>	<u>20,836</u>	<u>23,214</u>
Health and welfare - ambulance	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Capital outlay	<u>3,000</u>	<u>903</u>	<u>2,097</u>
Total expenditures	<u>372,600</u>	<u>309,818</u>	<u>62,782</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(93,000)	65,698	158,698
OTHER FINANCING USES :			
Transfer to Cemetery Fund	<u>(37,000)</u>	<u>(33,050)</u>	<u>3,950</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	(130,000)	32,648	162,648
FUND BALANCE - BEGINNING OF YEAR	<u>748,488</u>	<u>748,488</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 618,488</u>	<u>\$ 781,136</u>	<u>\$ 162,648</u>

Township of Wayland
COMBINING BALANCE SHEET - special revenue funds
March 31, 2004

	<u>Cemetery</u>	<u>Liquor law enforcement</u>	<u>Street lighting</u>	<u>Totals</u>
ASSETS				
Cash	\$ 21,046	\$ 2,191	\$ 44	\$ 23,281
Assessments receivable	-	-	435	435
Due from other funds	<u>1,830</u>	<u>-</u>	<u>-</u>	<u>1,830</u>
TOTAL ASSETS	<u>\$ 22,876</u>	<u>\$ 2,191</u>	<u>\$ 479</u>	<u>\$ 25,546</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 11,831	\$ -	\$ -	\$ 11,831
FUND BALANCE:				
Unreserved - undesignated	<u>11,045</u>	<u>2,191</u>	<u>479</u>	<u>13,715</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 22,876</u>	<u>\$ 2,191</u>	<u>\$ 479</u>	<u>\$ 25,546</u>

Township of Wayland

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - special revenue funds**

Year ended March 31, 2004

	<u>Cemetery</u>	<u>Liquor law enforcement</u>	<u>Street lighting</u>	<u>Totals</u>
REVENUES:				
Charges for services	\$ 51,590	\$ -	\$ -	\$ 51,590
Other	<u>1,810</u>	<u>-</u>	<u>2,018</u>	<u>3,828</u>
Total revenues	<u>53,400</u>	<u>-</u>	<u>2,018</u>	<u>55,418</u>
EXPENDITURES:				
General government	41,171	-	-	41,171
Public works	-	-	2,774	2,774
Capital outlay	<u>45,420</u>	<u>-</u>	<u>-</u>	<u>45,420</u>
Total expenditures	<u>86,591</u>	<u>-</u>	<u>2,774</u>	<u>89,365</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(33,191)	-	(756)	(33,947)
OTHER FINANCING SOURCES:				
Operating transfers in	<u>33,050</u>	<u>-</u>	<u>-</u>	<u>33,050</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(141)	-	(756)	(897)
FUND BALANCE - BEGINNING OF YEAR	<u>11,186</u>	<u>2,191</u>	<u>1,235</u>	<u>14,612</u>
FUND BALANCE - END OF YEAR	<u>\$ 11,045</u>	<u>\$ 2,191</u>	<u>\$ 479</u>	<u>\$ 13,715</u>

Township of Wayland

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - Cemetery Fund**

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<i>Variance favorable (unfavorable)</i>
REVENUES:			
Charges for services:			
Grave openings/foundations	\$ 15,000	\$ 38,690	\$ 23,690
Lot sales	<u>5,000</u>	<u>12,900</u>	<u>7,900</u>
Total charges for service	<u>20,000</u>	<u>51,590</u>	<u>31,590</u>
Miscellaneous	<u>-</u>	<u>1,810</u>	<u>1,810</u>
Total revenues	<u>20,000</u>	<u>53,400</u>	<u>33,400</u>
EXPENDITURES:			
General government:			
Wages and payroll taxes	35,000	32,075	2,925
Operating supplies	5,700	3,508	2,192
Maintenance	7,700	5,295	2,405
Utilities	<u>300</u>	<u>293</u>	<u>7</u>
Total general government	<u>48,700</u>	<u>41,171</u>	<u>7,529</u>
Capital outlay	<u>40,000</u>	<u>45,420</u>	<u>(5,420)</u>
Total expenditures	<u>88,700</u>	<u>86,591</u>	<u>2,109</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(68,700)	(33,191)	35,509
OTHER FINANCING SOURCES:			
Transfer from General Fund	<u>37,000</u>	<u>33,050</u>	<u>(3,950)</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(31,700)	(141)	31,559
FUND BALANCE - BEGINNING OF YEAR	<u>11,186</u>	<u>11,186</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (20,514)</u>	<u>\$ 11,045</u>	<u>\$ 31,559</u>

Township of Wayland

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - *Street Lighting Fund***

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<i>Variance favorable (unfavorable)</i>
REVENUES:			
Other - special assessments	\$ 1,900	\$ 2,018	\$ 118
EXPENDITURES:			
Public works - street lighting	<u>3,500</u>	<u>2,774</u>	<u>726</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,600)	(756)	844
FUND BALANCE - BEGINNING OF YEAR	<u>1,235</u>	<u>1,235</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ (365)</u></u>	<u><u>\$ 479</u></u>	<u><u>\$ 844</u></u>

Township of Wayland
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
all agency funds
Year ended March 31, 2004

	<i>Balance April 1, 2003</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance March 31, 2004</i>
TRUST AND AGENCY FUND				
ASSETS				
Cash	\$ 55,318	\$ 82,210	\$ 105,230	\$ 32,298
LIABILITIES				
Due to other funds	\$ 16,673	\$ 35,922	\$ 20,297	\$ 32,298
Due to other governmental units	38,645	44,931	83,576	-
Due to others	-	1,357	1,357	-
TOTAL LIABILITIES	\$ 55,318	\$ 82,210	\$ 105,230	\$ 32,298
TAX COLLECTION FUND				
ASSETS				
Cash	\$ 988	\$ 2,260,105	\$ 2,252,305	\$ 8,788
LIABILITIES				
Due to other funds	\$ 988	\$ 83,009	\$ 81,984	\$ 2,013
Due to other governmental units	-	2,163,764	2,156,989	6,775
Due to others	-	13,332	13,332	-
TOTAL LIABILITIES	\$ 988	\$ 2,260,105	\$ 2,252,305	\$ 8,788
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 56,306	\$ 2,342,315	\$ 2,357,535	\$ 41,086
LIABILITIES				
Due to other funds	\$ 17,661	\$ 118,931	\$ 102,281	\$ 34,311
Due to other governmental units	38,645	2,208,695	2,240,565	6,775
Due to others	-	14,689	14,689	-
TOTAL LIABILITIES	\$ 56,306	\$ 2,342,315	\$ 2,357,535	\$ 41,086

June 8, 2004

**Board of Trustees
Township of Wayland
Allegan County, Michigan**

In planning and performing our audit of the general purpose financial statements of the Township of Wayland, Michigan, for the year ended March 31, 2004, we considered the Township's internal control to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comment and suggestion regarding that matter. This letter does not affect our report dated June 8, 2004, on the general purpose financial statements of the Township of Wayland, Michigan.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various Township personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing this recommendation.

Siegfried Crandall P.C.

COMMENTS AND RECOMMENDATIONS

Budgeting:

The Township violated P.A. 621 of 1978 by total estimated expenditures, including an accrued deficit, in the budget shall not exceed the total estimated revenues.

We recommend that the Township improve its procedures related to the implementing and monitoring of its budgetary compliance and timely amend the budgets, when necessary. Appropriate management personnel should be involved in the budget development and monitoring processes to create a more meaningful management tool and obtain plausible explanations of significant variations on a timely basis.